

## **MEMORANDUM**

TO: Paul E. Foster, P.E.

THROUGH: Ravi Rangan, P.E.

FROM: Bruce Steltzer

**SUBJECT: The Premcor Refining Group, Inc., Delaware City Sales Terminal  
Permit: AQM-003/00404-(Renewal 1)**

DATE: November 21, 2006

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### **I. BACKGROUND:**

The Premcor Refining Group, Inc. (Premcor) owns and operates a Marketing Terminal in conjunction with their Delaware City Refinery. The terminal is located in New Castle County which is classified as a severe non-attainment area for ozone. The Marketing Terminal is a major source because its potential to emit (PTE) VOC's is greater than 25 tons per year (TPY).

The Marketing Terminal consists of a 14 lane loading rack. Lanes 1 through 6 load diesel and fuel oils. Lanes 8 through 11 load gasoline. Lanes 12 through 15 load pressurized gas (butane, propane). Lane 14 also loads propylene. Lane 7 is not in service. The first 10 lanes are bottom loading lanes. During bottom loading operations, vapors containing Volatile Organic Compounds (VOCs) are displaced. These vapors are controlled either by a High Efficiency Adsorption Absorption (HEADAB) Vapor Recovery Unit (VRU) or by a backup Vapor Combustion Unit (VCU).

The Title V renewal application was submitted with a cover letter dated July 25, 2003 and was signed by Roger P. Leitch, Motiva's Regional Operations Manager<sup>1</sup>. All Title V Fees have been paid to date.

The applicable Standard Industrial Code (SIC) for this facility is 5171 - Bulk Petroleum Marketing Terminal.

The Company has not requested any information be held confidential.

The initial Title V permit was issued to this facility on February 8, 1999. On August 12, 2002, the permit was administratively amended to incorporate applicable conditions from **Permit: APC-88/0125-CONSTRUCTION (Amendment 3) (MACT)**.

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<sup>1</sup> Motiva Enterprises, LLC. owned and operated the facility at that time. Premcor purchased the facility and assumed operations from Motiva effective May 1, 2004. Premcor's Responsible Official is Mr. Paul Brochu, Vice President, Logistics Operations & Development (see page 3 of the memo).

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**Table 1: EMISSION UNIT & POINT IDENTIFICATION**

<b>Emission Unit</b>	<b>Emission Point</b>	<b>Description</b>
Emission Unit 1 - HEADAB And Fugitive Emissions	001-A	Loading Rack Lanes and HEADAB vapor recovery unit (Emission Point 001-A). Gasoline Rack Process Fugitives: Gasoline Loading Vapor Recovery System, Connectors, Gaskets, and other components. Loading Rack Process Fugitives: Valves, Pumps, Fittings, Open-ended Lines, Compressors, Pressure Relief Devices.
Emission Unit 2 - Flare	001-B	Ground Level Air Assisted Flare - used as a back-up VCU during periods when the HEADAB is down.

**INSIGNIFICANT ACTIVITIES:**

The Company has requested that the following activities be considered insignificant activities in accordance with the requirements of Appendix "A" of Regulation No. 30, Section. The insignificant activities are summarized in Table 2 of this memorandum.

**Table 2: INSIGNIFICANT ACTIVITIES**

<b>Source Description</b>	<b>Emission Point</b>	<b>Basis</b>
Diesel Storage Tanks (8,000 gallons)	007 008	<b>Appendix A(w)</b> - Diesel and fuel oil storage tanks with a capacity of 40,000 gallons or less.
Additive Storage Tanks: Tank 102213 Tank 202213 Tank 1069 Tank 1068 Tank 1070 Tank 1092 Tank 8233 Tank 8234 Tank 1071 Tank 1072 Tank 1075 Tank 1073 Tank 1095	003 004 005 006 012 013 014 015 016 017 018 019 020	<b>Appendix A(i)</b> – These are emission units for which an applicable requirement has not been promulgated, is not elsewhere listed as an insignificant activity and which has the potential to emit in the aggregate less than 25 tons per year of VOCs.

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### III. **IDENTIFICATION OF EXISTING REGULATION No. 2 PERMITS**

**Table 4: IDENTIFICATION OF EXISTING REGULATION No. 2 PERMITS**

Reference Number	Full Regulation No. 2 Permit Designation
<b>APC-88/0125(A2)</b>	<b>APC-88/0125-CONSTRUCTION/OPERATION (Amendment 2) (MACT)</b> issued October 28, 1998. Operation of a Bulk Gasoline Terminal that consists of a Vapor Recovery Unit and a Backup Vapor Combustion Unit.
<b>APC-88/0125(A3)</b>	<b>APC-88/0125-CONSTRUCTION (Amendment 3) (MACT)</b> issued March 20, 2001. Operation of the Bulk Gasoline Terminal to include loading Propane and Propylene.

### IV. **GENERAL:**

#### **Proposed Permit Changes:**

The renewal application proposed three changes to the renewal permit.

1. Flare Testing Requirements

The Company has requested changing the performance testing requirements from 40 CFR Part 63.11 to the procedures of §60.503 when the flare is operating. Motiva claims that the flare is typically tested in accordance with §60.503 as allowed by §63.425 (NESHAP Subpart R for Gasoline Distribution Facilities).

Response: AQM agrees with the Company's comment and has changed the compliance method and testing requirements for the flare.

2. Additive Tanks

Two above ground storage tanks have been added to the renewal permit. The first, Tank 1073 (emission ID 020) was listed in the 1997 Title V permit application but due to an oversight, it was not identified in the technical memo or permit.

The second is Tank 1095 (emission ID 019). Motiva informed AQM of its installation in February 2002. An oversight failed to incorporate Tank 1095 into the permit when it was administratively amended in August 2002.

Response: To correct this, both tanks have been added to the list of Insignificant Activities in Condition 3 – Table 1(c)(4).

3. Propylene Loading Activities

The Company proposes a formal revision of the Title V permit to include the terms of **Permit: APC-88/0125-CONSTRUCTION (Amendment 3) (MACT)** issued March 20, 2001.

Response: AQM incorporated the terms of this permit with the issuance of the Administrative Amendment on August 12, 2002. No further action is required.

#### **New Applicable Regulations**

The applicable limitations, standards, monitoring and testing requirements, and reporting requirements of **NSPS Subpart XX – Standards of Performance for Bulk Gasoline**

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**Terminals and NESHAP Subpart R – National Emission Standards for Gasoline Distribution Facilities** have been incorporated into the renewal permit.

**Change of Responsible Official**

In a letter dated September 12, 2005, the refinery notified the Department of the change of Responsible Official. It is:

Mr. Paul Brochu  
Vice President, Logistics Operations & Development  
The Premcor Refining Group Inc.  
P.O. Box 696000  
San Antonio, TX 78269-6000  
Phone: (210) 345-2000

**Compliance Assurance Monitoring (CAM)**

Motiva's application addresses the CAM Rule (40 CFR Part 64). Their assessment is that while the facility meets CAM's general applicability standards, the rule is not applicable to the Marketing Terminal because it is exempted by §64.2(b)(1)(i). This section states, *"The requirements of this part shall not apply to any of the following emission limitations or standards...proposed by the Administrator after November 15, 1990 pursuant to section 111 or 112 of the Act."* The MACT Standard for Gasoline Distribution Facilities (40 CFR Part 63, Subpart R) was proposed on February 8, 1994. AQM agrees that the terminal is not subject to the CAM Rule.

**40 CFR 68, SUBPART B, E, G, H: ACCIDENTAL RELEASE PREVENTION PROGRAM**

The initial permit application from 1996 identified a single 2,000 gallon Methyl Mercaptan tank located at the terminal. Methyl Mercaptan is on the CAA 112(r) Extremely Hazardous Substance list. Having such a tank could trigger the potential applicability of the 112(r) Risk Management Plan Rule. However, information submitted by the company<sup>2</sup> shows this tank is actually a pressure vessel in ethyl mercaptan service. Ethyl mercaptan is used to as odorant for propane and is not a TRI listed chemical nor is it a Delaware-regulated toxic substance

**V. COMPLIANCE SCHEDULE:**

The Company is in compliance with the applicable requirements.

**VI. PERMIT SHIELD:**

The Company has not requested a permit shield. The permit shield option of Regulation No. 30, Section 6(f) provides that compliance with the terms and conditions of the permit shield shall constitute compliance with 7 Del. C., Chapter 60, for the discharge of any air contaminant specifically identified in the permit application as of the date of permit issuance.

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<sup>2</sup> Email from Robert Wojewodzki dated 8/25/05 and John Deemer dated 8/3/05.